

## **4 FAH-3 H-320 COLLECTIONS**

*(CT:FMP-87; 01-07-2015)  
(Office of Origin: CGFS/FPRA/FP)*

### **4 FAH-3 H-321 GENERAL PROVISIONS, SCOPE, AND AUTHORITY**

*(CT:FMP-50; 08-26-2008)*

This subchapter contains policies for receipt and accounting for collections. All collections must be processed in accordance with the Department authorities to collect, deposit, and retain funds. All collections must also be processed in accordance with U.S. Treasury guidance and fund symbol requirements in this subchapter and 4 FAH-1, Account Structure and Classification Codes Handbook.

#### **4 FAH-3 H-321.1 Responsibilities for Collections**

*(CT:FMP-74; 07-09-2013)*

- a. Unless otherwise identified in this subchapter, the financial management officers (FMOs) in overseas posts and in domestic bureaus and offices are responsible for overseeing the collection process and ensuring the provisions in this subchapter are followed. In organizations and locations where an FMO or budget and finance (B&F) officer may not be present, executive directors and management officers are responsible for ensuring appropriate delegations are in place to execute the collection responsibilities in this subchapter. Similarly, the Global Financial Operations Directorate (CGFS/F) oversees and implements the Bureau of the Comptroller and Global Financial Services (CGFS) collection responsibilities at the Global Financial Service Centers Charleston and Bangkok. The Executive Director of the Bureau of Consular Affairs is responsible for supplemental policies and procedures for consular collections.
- b. Questions regarding policies and procedures for collections or coding should be directed to either the Office of Financial Policy (CGFS/FPRA/FP) or Global Financial Operations Directorate, Office of Accounting Operations (CGFS/F/AO).

#### **4 FAH-3 H-321.2 Collection Methods**

*(CT:FMP-50; 08-26-2008)*

- a. The Department of State uses the following methods to make collections:

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Financial Management Procedures Handbook

- (1) Cash;
  - (2) Check (e.g., personal check, U.S. Treasury check, bank draft, money order, or travelers check);
  - (3) Electronic funds transfer;
  - (4) Credit and debit cards; and
  - (5) Payroll deduction.
- b. The available infrastructure and the method used in domestic and overseas locations will depend on type of collection. See 4 FAH-3 H-324 and 4 FAH-3 H-325 for the methods available for domestic and overseas collections.

## **4 FAH-3 H-321.3 Collection Arrangements**

*(CT:FMP-50; 08-26-2008)*

- a. The Department of State uses the following collection arrangements:
- (1) Cashier;
  - (2) Lockbox arrangements (e.g., checks from the public);
  - (3) Electronic point of sale (e.g., U.S. Government/private credit cards, toll charges from telephone 900 numbers);
  - (4) Intra-governmental Payment and Collection System (IPAC) (electronic collections from other agencies for services provided by the Department and electronic collections made by Treasury or other agencies on behalf of the Department); and
  - (5) Bank servicing and U.S. Postal Service agreements (for passport and visa application fees).
- b. Individuals and servicing organizations must be authorized to use the official collection methods and internal controls must be in place to ensure timely and accurate recording of all collections.

## **4 FAH-3 H-321.4 Collection Documentation and Classifications**

*(CT:FMP-50; 08-26-2008)*

- a. The purpose or basis for a collection needs to be documented to ensure the appropriate accounting. The Department processes four basic categories of collections:
- (1) Accounts receivable debt;
  - (2) Inter-agency reimbursement agreements for goods and services;
  - (3) Published fees and applications for consular and other services; and

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Financial Management Procedures Handbook

- (4) Other transactions under revenue, fund-raising, and trust authorities.
- b. Department collections result from a number of specific activities, including:
  - (1) Accounts receivable created by employees, private individuals, vendors, foreign governments, and other groups in the private sector;
  - (2) Return of unearned or unclaimed employee advances authorized for official business;
  - (3) Rents/related charges and reimbursements for Department of State property (e.g., OBO property used by other Federal agencies or leased to private sector parties);
  - (4) Proceeds of sale for real and personal property;
  - (5) Reimbursements for goods and services provided to other Federal agencies (e.g., Economy Act arrangements);
  - (6) Fees authorized by statute or regulation by the Department of State (e.g., consular service fees);
  - (7) Requests to make payments for third parties (e.g., via Suspense Deposit Abroad and Overseas Citizen Services trust accounts);
  - (8) Gifts to the Department of State (e.g., unconditional donations via domestic and overseas collections, credit card donations, and payroll deductions);
  - (9) Court judgments;
  - (10) Employee contributions to General Funds for Social Security, FICA, etc;
  - (11) Miscellaneous Treasury receipts and contributions to the U.S. Government; and
  - (12) Donations to the Foreign Service National Emergency Relief Fund.
- c. Cashiers that perform collection functions should record and track collection activity in accordance with applicable documentation and a Form OF-158, General Receipt. Attach copies of receipts to the documentation.

## **4 FAH-3 H-321.5 Collection Types**

*(CT:FMP-50; 08-26-2008)*

- a. The accounting for collections depends on the type of collection (e.g., refund, reimbursement, general receipt) and the availability of collected amounts. The FMO and other individuals involved in the collection process must examine the documentation for each collection to determine the purpose of the collection, its availability as a budgetary resource, and the proper fund to be credited to ensure proper recording.
- b. Collections for services provided by the Department may be available as budgetary resources only if the Department has specific authority to retain the

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collections.

c. Collections that may be available include the following:

(1) Refunds are repayments of excess payments directly related to a previous expenditure and must be returned to the appropriation and allotment previously charged. Refund collections are available for current obligations only if the appropriation and allotment previously charged are still available for obligation. Refunds credited to closed (canceled) appropriations must be deposited in the Treasury as miscellaneous receipts. Refunds of amounts paid in prior fiscal years from no-year accounts are normally available for current obligations, but they must be reapportioned and reallocated before the amounts can be used to adjust or create obligations. Examples of refunds include:

- Repayments of unused travel advances
- Refunds of value-added taxes
- Refunds or collections of overpayments to vendors or employees

(2) Reimbursements are collections for goods or services provided by the Department that are authorized by law to be credited to a specific appropriation (typically the appropriation initially charged for the goods or service). Reimbursements differ from refunds in that they are credited at the appropriation level and are not immediately available for obligation until they have been reapportioned and reallocated. A common type of reimbursement is a collection from another agency made pursuant to an inter-agency agreement under the Economy Act, 31 U.S.C. 1535;

(3) Refunds and reimbursements are included in the generic term "repayments," since they replace funds which were or will be paid from an agency's appropriation.

d. General Fund Receipts are amounts received from other miscellaneous sources that the Department does not have authority to retain. These collections are deposited as miscellaneous receipts of the U.S. Government (a credit to the Treasury) and are not available budgetary resources.

e. The 4 FAH-3 Exhibit H-321 provides examples of selected collections.

## **4 FAH-3 H-322 ACCOUNTING FOR OFFICIAL COLLECTIONS—ACCOUNT TYPES AND FUND SYMBOLS**

*(CT:FMP-74; 07-09-2013)*

a. **General Fund accounts:** Many Department of State collections are credited directly to Department appropriations. These collections will usually be for refunds for obligated and expended amounts. When authorized by law,

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Financial Management Procedures Handbook

reimbursements and proceeds may also be collected directly into Department appropriations. The appropriate fund symbols for these collections are listed under 4 FAH-1 H-224, General Fund symbols:

- (1) Examples of collections for various Department appropriations are identified in 4 FAH-3 Exhibit H-321. The Bureau of Consular Affairs and the Bureau of Overseas Buildings Operations also provide supplemental receipt and collection guidance for specific program areas in 7 FAH-1 H-700, Consular Fees, and 15 FAM 522, Real Property Proceeds of Sale;
- (2) When a Department of State appropriation is not available for a collection, the financial management officer (FMO), U.S. disbursing officer (USDO), or other responsible individual must identify the appropriate Treasury account for the collection.

b. **General and Miscellaneous Receipt accounts:** There are many types of receipts collected by the Department. Some receipts belong to Treasury and some belong to State:

- (1) General fund receipt accounts are used for receipts that are not earmarked by law for a specific account or for a specific purpose. These receipts do not always belong to State and must be deposited directly to Treasury. For example, interest and fees earned on funds held in Class B cashier accounts belong to Treasury and should be credited to account 201435;
- (2) General fund receipts that are not earmarked but belong to State should be deposited to the designated State general receipt account. For example, interest on public funds from Department of State sources, such as delinquent receivables, should be credited to account 191435. The fund symbols for general fund receipt account collections are identified at 4 FAH-1 H-222;
- (3) **Consular service fees:** Account 190830 is used for fees relating to U.S. passport and citizenship, visa, documentary, and judicial assistance services for U.S. citizens and foreign nationals:
  - (a) Miscellaneous receipt collections made at domestic Passport offices or other Bureau of Consular Affairs (CA)-controlled facilities must be properly identified and recorded to account 190830 if they may not be retained by the Department under CA authorities. When collections are made domestically through a third party (e.g., U.S. Postal Service, banking institution), CA processing procedures or the contract/servicing agreement must provide for recording these collections to account 190830;
  - (b) Overseas cash and credit card collections must be processed through Class B cashiers at individual missions and posts or through third-party collection agents (e.g., banks). The Bureau of Consular Affairs has the responsibility to establish fee collection procedures for consular officers. These procedures are found under 7 FAH-1 H-700, Consular

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Financial Management Procedures Handbook

**Fees.** The Class B cashiers receive the collections from consular cashiers (and, less commonly, from consular officers and consular agents) and process Form OF-158, General Receipt, in accordance with procedures noted in 4 FAH-3 H-396. Class B cashiers may also receive collections directly into the USDO account from an offsite collection agent or bank collecting nonimmigrant visa application fees (machine-readable visa (MRV) fees) and issue a corresponding Form OF-158;

- (c) Some consular collections are not miscellaneous receipts. For example, the Department has specific authority to retain machine-readable visa fees, which are credited to account 19X0113.6. FMOs, cashiers, and other individuals involved in handling CA collections should confirm the specific receipts and process in accordance with applicable CA guidance (see 7 FAH-1 H-700);
- (d) The fiscal coding to be used for the numerous consular fee collections to be credited to Department of State funds is identified in the applicable fund sections of 4 FAH-1 H-620. Coding issues related to consular collections on behalf of other agencies should be directed to CA;

(4) Other miscellaneous fee and fund collections. If a specific account cannot be identified for a miscellaneous fee or other collection, the general miscellaneous accounts (193200 series) should be used. The two accounts most widely used are 193200 and 193220 (see 4 FAH-1 H-222):

- (a) Collections to 193200 are for receivables to a canceled account; and
- (b) Collections to 193220 are for any other proprietary receipt that cannot be identified with any other fund symbol.

c. **Clearing accounts:** Clearing accounts are used for Federal source funds that must be temporarily deposited until the proper accounting can be determined. These accounts are often used when documentation is either unclear or nonexistent. The Department of the Treasury has established clearing accounts in the 3800 series for Federal agency use. Under a Treasury-issued waiver, the Department of State is authorized to use clearing accounts with point limitations to distinguish the source of collection. These clearing accounts may be used only for the Treasury-authorized purpose (see 4 FAH-1 H-252 for the authorized point limitations):

- (1) Clearing accounts may be used for proceeds of sale in accordance with the Global Financial Operations Directorate (CGFS/F) instructions. Specific policies and procedures for proceeds of sale are outlined in 4 FAH-3 H-327; and
- (2) Authorized transactions put into a clearing account should be cleared as quickly as possible, preferably within 30 days. No transaction amount should be in the clearing account for a period exceeding 60 days.

d. **Deposit accounts:** These accounts are primarily for nongovernment funds

**4 FAH-3 H-320** Page 6 of 42

UNCLASSIFIED (U)

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collected by the Department for a third party. The funds collected are available to carry out legislative mandates or for a specific instruction requested by a third party. The accounts are only used when it is clear that the collections are identifiable and intended for a specific purpose. Specific accounts and the purpose for each clearing and deposit account are identified in 4 FAH-1 H-252. Examples of transactions processed through deposit accounts include:

- (1) Proceeds from estates of Americans who die abroad;
- (2) Moneys withheld from contractors and funds held for the International Boundary and Water Commission;
- (3) Contributions from employee and employer in CAPPS processing; and
- (4) Withholdings for foreign government social security and related programs.

The Employee and Employer Contribution Account, Foreign Government Social Security and Related Programs account (19X6130) is a restricted use account used for payroll withholdings. The Suspense Deposits Abroad (SDA) account (19X6809) is a restricted-use deposit account for collection from third parties. Collections to the Suspense Deposits Abroad account are governed by special rules contained in 4 FAH-3 H-326.2.

**e. Special Fund Receipt accounts:**

- (1) These accounts are used for collections for special funds, which are available for expenditure (after depositing and recording). Some of these accounts are supplemented with appropriations. Others are self-sustaining from collections received. Most of these funds need to be allotted. Point limitations are commonly used to distinguish activities in these accounts; and
- (2) Special funds support statutory or other responsibilities where there is a need to accept collections and to use the collected amounts for defined expenditures. Examples of special funds include the International Center, International Litigation Fund, and the Foreign Service National Defined Contributions Retirement Fund. Fund symbols for all special funds are identified in 4 FAH-1 H-242.

**f. Trust Fund Receipt accounts:** These accounts are for collections received by the Department in the capacity of trustee for third parties in accordance with terms of statutes or formal agreements:

- (1) There are several trust funds under Department supervision, for example, the Foreign Service Retirement and Disability Fund (19X8186) and the Foreign Service National Separation Liability Trust Fund (19X8340). Other trust funds include the Unconditional and Conditional Gift Funds (19X8821 and 19X8822, respectively). These two gift funds have specific policies and procedures identified in 4 FAM 380; and
- (2) Trust funds generally have point limitations to designate the receipt account. Specific accounts used by the Department along with the point

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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3

Financial Management Procedures Handbook

limitations and purposes for the accounts are identified in 4 FAH-1 H-262 and 4 FAH-1 H-263.

**g. Revolving accounts:**

- (1) The Department has two revolving funds for Department business. One fund is utilized for financing repatriation loans (19X4107) and the other is the working capital fund (WCF) (19X4519) authorized by 22 U.S.C. 2684. The latter fund is subdivided by point limitations to accommodate various activities, including the International Cooperative Administrative Support Services (ICASS). Fund symbols for revolving fund collections are identified at 4 FAH-1 H-232. Additional information concerning ICASS can be found in 6 FAH-5. Direct questions regarding ICASS to CGFS/ICASS; and
- (2) Revolving funds are available without fiscal year limitation, and all collections to those funds are available for authorized purposes unless procedurally restricted. See restrictions for proceeds of sales in 4 FAH-3 H-327 and the requirements for host country taxation refunds in 4 FAH-3 H-329.1.

## **4 FAH-3 H-323 GENERAL REQUIREMENTS FOR RECEIVING COLLECTIONS**

*(CT:FMP-87; 01-07-2015)*

- a. U.S. disbursing officers (USDOs) and Department of State Class B cashiers are authorized to receive collections, including consular fees. When financial management officers (FMOs) in the bureau or post must process noncash collections without access to a cashier, the FMO must formally identify a responsible individual in the organization to accept the collections. If necessary, the selected employee may be designated as a subcashier for this purpose in accordance with 4 FAM 322.1, 4 FAH-3 *H-392*, 4 FAH-3 H-393.2-1d, 4 FAH-3 H-394.3, 4 FAH-3 H-396, and 4 FAH-3 H-398.2. However, an individual that handles collections may not have access to accounts receivable transactions or have access to data bases that permit adjustments to accounts receivable records.
- b. Financial management officers (FMOs) must limit the number of employees entrusted with a collection function consistent with good management practices. These employees are personally responsible and accountable for the safekeeping of all collections in their custody until the funds have been deposited and a receipt obtained. Financial management officers (FMOs), or management officers in the absence of an FMO at post, must closely monitor and set up procedures that allow post management to verify that all collections are recorded in a timely manner and credited to the appropriate fund cite.
- c. Checks and cash received by cashiers must be properly safeguarded and



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Financial Management Procedures Handbook

controlled with receipts issued in accordance with the 4 FAH-3 H-390 cashiering requirements. All funds collected by the cashiers are recorded on Form OF-158, General Receipt. The Form OF-158 is a pre-numbered, accountable official form that is controlled and produced by the automated cashiering system, or, if issued under manual operation, acquired from CGFS Charleston or CGFS Bangkok. The stocks of the form are signed out in blocks by the USDO. Domestic cashiers should receive supplies of Form OF-158 from CGFS Charleston.

- d. Cashiers must be familiar with the collection they are accepting and are responsible for properly coding the collection information on the Form OF-158. Similarly, supervisory personnel overseeing the Intra-governmental Payment and Collection System (IPAC) or other domestic collection processes are responsible for ensuring that employees have the appropriate collection documentation and ensuring that collected amounts are properly credited to the correct Department of State and Treasury accounts.
- e. Domestic collections may be processed through a variety of channels without a Department employee taking physical custody of any cash (e.g., credit cards, lockboxes, IPAC payments). The preferred practice is to instruct individuals or institutions making a payment to forward all amounts directly to the lockbox along with any information that will assist in the processing and reconciliation of the collected amounts. Consistent with good management practices and controls, the Global Financial Operations Directorate (CGFS/F) Charleston or the responsible financial management officer must prepare and implement procedures to confirm and reconcile the actual collections processed with amounts reported by a bank, a credit card company, or other financial institution processing the collections.
- f. Overseas collections are primarily processed through post cashiers but may, under certain circumstances, involve a U.S. disbursing officer (USDO) at CGFS Bangkok or CGFS Charleston. Cashiers must follow the procedures for receiving collections detailed in 4 FAH-3 H-396 and the Cashier User Guide (CUG) Chapters 6 and 7. In accepting negotiable instruments (e.g., local currency and checks) for collections, the cashier must exercise precautions and maintain records and information as required in 4 FAH-3 H-396.4 and CUG Chapter 8.
- g. Overseas collections may also involve third-party banks and other foreign financial institutions. Some of these collections are received through a payment process that may not involve the post cashier. When this occurs, the servicing USDO will provide instructions for completing the collection.

## 4 FAH-3 H-324 DOMESTIC COLLECTIONS

*(CT:FMP-74; 07-09-2013)*

- a. The Bureau of the Comptroller and Global Financial Services (CGFS) and the

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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3

Financial Management Procedures Handbook

Bureau of Consular Affairs (CA) control or process most Department collections originating in the United States. CGFS/F has the overall responsibility for all domestic collections. The CA Executive Director has the responsibility for overseeing the procedures and controls for processing collections at the Department's domestic passport offices, visa centers, and through CA-arranged third-party facilities.

- b. Domestic lockbox arrangements for check collections and/or checks/cash collected through a bank or the U.S. Post Office must be sponsored by Treasury or be approved by CGFS/F. All lockbox arrangements or third-party collection agreements, including agreements authorized by CA, must be supported by a contract or written agreement with the institution performing the collection process. The agreement must specify the collections to be handled and the accounts that will be credited with the amounts collected.
- c. All U.S.-based Department organizations that receive checks in the United States must use the Treasury sponsored lockbox unless an alternative lockbox has been approved by CGFS/F. All checks forwarded to the lockbox must be accompanied with instructions identifying the account or fund to be credited with the collection. CGFS/F will establish procedures for this process; specify the required documentation for lockbox collections; and address questions related to the domestic lockbox process.
- d. CA may process domestic cash and credit cards collections for consular fees at its passport offices. CA collections may also be processed through the U.S. Postal Service and financial intermediaries, such as major banks that have been approved by CGFS/F. CA passport offices and CA locations receiving fees for passport and visa services should follow CA/EX procedures for processing collections.
- e. Domestic bureaus and organizations with revenue-generating activities (e.g., M/EDCS donations for Foreign Service National Emergency Relief Fund and Employee Emergency Fund, Foreign Service Institute, Authentications, etc.) may make collections for services via credit cards or through commercial banking institutions when approved by CGFS/F. Requests to implement a domestic credit card process or third-party arrangement must originate with the executive director or equivalent official in a bureau or department organization and be approved by CGFS/F. When approved, all organizations must comply with this subchapter and follow guidance issued by CGFS (see 4 FAH-3 H-324.3).
- f. The Main State cashier may accept collections when authorized by the CGFS Washington Liaison Office (CGFS/F/WO), and the lockbox option is not available or appropriate. Collections through third-party depositories (e.g., banks or the U.S. Post Office) may be used only when approved by CGFS/F.
- g. CGFS/F may process credit card collections in Charleston when appropriate division of duties and other controls are in place. CGFS/F will manage inter-agency collections through the Intra-governmental Payment and Collection

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Financial Management Procedures Handbook

System (IPAC) and may process electronic fund collections originating in the United States from the public, a foreign government, or an international organization. All transactions via electronic applications must be credited to the correct account and be supported by back-up documentation.

## **4 FAH-3 H-324.1 Domestic Lockbox and Third-Party Collections**

*(CT:FMP-74; 07-09-2013)*

- a. Payments from other Federal agencies that cannot be processed by IPAC should be processed through the lockbox.
- b. Except where specifically authorized in 4 FAH-3 H-324, all financial management officers in U.S.-based Department organizations must follow CGFS/F procedures for processing lockbox and third-party collections. Officers in domestic organizations with frequent collections are responsible for preparing written bureau procedures for individuals handling collections. The guidance should include:
  - (1) Where to send payments;
  - (2) How to prepare a check for the collection being made;
  - (3) The documentation that must accompany the collection and where to send the required documentation;
  - (4) Responsibility for providing official receipts; and
  - (5) Actions required when a payment is not properly processed.
- c. Lockbox banks must complete a deposit ticket and deposit the checks at the closest Federal Reserve Bank. The lockbox bank must make a copy of each check deposited and a copy of the deposit ticket. These documents or their electronic equivalent, along with a list of deposit information for each check and a copy of any correspondence received by the bank, must be forwarded to CGFS Charleston. CGFS/F is responsible for reconciling all collections processed through the lockbox.
- d. The address for the lockbox as of January 1, 2006 is as follows:

U.S. Department of State  
Accounts Receivable Division  
P.O. Box 979005  
St. Louis, MO 63197-9000

Since the lockbox address is likely to change from time to time, all bureaus and other Department personnel involved in actual collections should verify with the Office of Accounting Operations (CGFS/F/AO) the exact address of the lockbox before issuing check collection instructions to bureau personnel or the public.

## **4 FAH-3 H-324.2 Charleston Global Financial Service Center Responsibilities**

*(CT:FMP-74; 07-09-2013)*

- a. The Office of the Assistant Secretary for Global Financial Services (CGFS) Charleston personnel will reconcile all the official collections from overseas and domestic sources with the cash balances held by Treasury. CGFS is responsible for developing detailed procedures for recording collections in the Department financial management system and for reconciling the amounts collected with balances reported by Treasury.
- b. Global Financial Operations Directorate, Accounts Receivable (CGFS/F/RR) personnel are authorized to use IPAC and collect amounts owed from other Federal agencies under reimbursement agreements. Collections from other agencies via electronic means should be maximized, and CGFS/F/RR must establish procedures to ensure inter-agency collections are properly documented at the point and time of collection.
- c. Collections for inter-agency reimbursement agreements should not be processed by individual posts or through CGFS Bangkok.

## **4 FAH-3 H-324.3 Credit Card Collection Requirements**

*(CT:FMP-74; 07-09-2013)*

- a. Bureau financial management officers are responsible for ensuring that all approved electronic point of sale (e.g., credit card) authorizations are properly controlled and are consistent with CGFS collection requirements and instructions for maintaining internal controls.
- b. Collections received from credit card arrangements require a "merchant" status with a bank or other financial institution. Since there is a different accounting model for transactions generated from U.S. Government and private credit cards, collections received through credit card arrangements must be processed using the correct transaction code to ensure proper recording of the collection.
- c. Credit card collections must be identified with the correct fund cite and must be supported with sufficient documentation. Reports must be in place to permit data analysis, posting to accounting records, error correction, and reconciliations of collections to services provided. Bureau financial management personnel must have written procedures at the point of sale to ensure that credit card processing is controlled and consistently executed. Bureau officers must also support any data requirements or reconciliation actions needed to maintain adequate internal control of actual collections.
- d. Credit card transactions from other Federal agencies must be approved by the Office of Accounting Operations (CGFS/F/AO) before they can be processed. Due to differences in the accounting treatment for Federal credit card

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Financial Management Procedures Handbook

transactions, financial management personnel must request guidance from CGFS/F/AO before accepting U.S. Government credit card transactions or establishing a procedure for these cards.

## **4 FAH-3 H-324.4 Intra-Governmental Domestic Payments**

*(CT:FMP-74; 07-09-2013)*

- a. Inter-agency collection transactions are electronic funds transfers through the Intra-governmental Payment and Collection (IPAC) system, a major component of the Government On-Line Accounting Link System II (GOALS II). Using the IPAC system is the standard method for making collections from other Federal agencies. Each collection should be supported by an inter-agency agreement or other appropriate collection transaction document. See 4 FAM 450 for additional information concerning intra-governmental transactions. CGFS Charleston is the only location authorized to process IPAC collections. Overseas posts and other global financial service centers are not authorized to make IPAC collections.
- b. While IPAC is the standard process for intra-governmental collections, there may be occasions when payment is received in other forms from Federal agencies. For domestic locations, a check collection should be processed through the approved lockbox arrangement in accordance with 4 FAH-3 H-324.3. Department personnel who receive an intra-governmental collection outside the IPAC system should contact the Global Financial Operations Directorate (CGFS/F) to ensure that the collection documentation is sufficient and that the check can be properly identified and processed through the lockbox.
- c. CGFS/F is responsible for ensuring that the receivable for the intra-governmental transaction has been established and the collection received is recorded in the accounting system in accordance with CGFS procedures.

## **4 FAH-3 H-324.5 Main State Cashier Collections**

*(CT:FMP-74; 07-09-2013)*

The Main State cashier may be requested to accept a collection on behalf of the Department. Such collections should be minimized to the maximum extent possible (see 4 FAH-3 H-323, paragraph e) and should be accepted only with the concurrence and instruction of CGFS/F/WO. Department employees or other individuals that request permission to make a payment or other action involving a collection should be referred to the lockbox process or the Global Financial Operations Directorate (CGFS/F). All collections by the Main State cashier must be documented with a Form OF-158, General Receipt. A copy of this receipt plus any

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Financial Management Procedures Handbook

supporting documentation must be forwarded to CGFS/F/RR within 2 business days.

## **4 FAH-3 H-324.6 Overseas Citizens Services (OCS) Trust Collections Originating in the United States**

*(CT:FMP-50; 08-26-2008)*

- a. Domestic collections for consular services from private sources must be Overseas Citizens Services (OCS) trust transactions administered by the Bureau of Consular Affairs. For all new OCS trust cases originating October 1, 2006 and thereafter, collections will be deposited into Suspense Deposits Abroad (SDA) 19X6809, allotment 9941, and processed in accordance with 4 FAH-3 H-324.6 (see 4 FAH-3 H-326.2-1 for OCS trust transactions originating overseas).
- b. CA is authorized to assess a surcharge fee to perform OCS trust transactions and forward the funds to the receiving post. This fee is assessable annually on a fiscal year basis on the life of the OCS trust account transaction. This fee and other fees that may be charged for sending funds to multiple locations are assessable for both domestic and overseas OCS trust transactions and deposited in the Treasury as miscellaneous receipts.
- c. The Bureau of Consular Affairs (CA) is responsible for directing the disposition of the Overseas Citizens Services (OCS) trust funds originating in the United States. CA authorizes posts by telegram or other instruction to disburse funds from the deposited collection to designated persons or for the stated purposes. All dispositions and monitoring of the funds are handled at the consular section level.
- d. The OCS trust telegram or other instruction to post regarding disbursement of funds must clearly identify the depositor and other contact information, as well as the designated person to receive the funds, and the purpose.
- e. Upon receipt of an authorization from the Department, the post arranges to make the payments. Vouchers are charged to account 19X6809, allotment 9941. When instructed to do so, the post prepares interim reports showing payments made and balances remaining.
- f. When all transactions related to the specific deposit are completed, the post prepares a final voucher to refund the depositor. Unclaimed Suspense Deposits Abroad (SDA) residual balances must be handled in accordance with 4 FAH-3 H-326.3.
- g. Additional guidance on CA procedures for processing OCS trust transactions is contained in 7 FAM 300.

## **4 FAH-3 H-325 OVERSEAS COLLECTIONS**

*(CT:FMP-50; 08-26-2008)*

Overseas collections are processed through post-assigned cashiers in accordance with this section, and detailed cashier procedures are published in 4 FAH-3 H-390 and in the Cashier User Guide, Chapters 6 and 7. Consular fee collections are processed in accordance with the guidance in 7 FAH-1 H-700.

## **4 FAH-3 H-325.1 Cashier Procedures**

*(CT:FMP-74; 07-09-2013)*

- a. The post cashier and, when applicable, the financial management office personnel, must carefully examine all collections before processing to determine the proper fund to be credited. Criteria for determining how the collection should be classified are identified in 4 FAH-3 H-321.5. A listing of the various types of collections is contained in 4 FAH-3 Exhibit H-321.
- b. All cashiers must maintain accurate records for collections and have sufficient documentation to maintain accountability over collection activities. Cashiers must maintain controls and record all collections, and both the cashier and cashier supervisor must execute monitoring responsibilities in accordance with 4 FAH-3 H-390. Specific procedures for collections are identified in 4 FAH-3 H-396. Required systems and cashier record requirements are identified in 4 FAH-3 H-393.2-5.
- c. All funds collected by an overseas Class B cashier are recorded on Form OF-158, General Receipt, a prenumbered, accountable official form that is either controlled and produced by the automated cashiering system or, if manual, signed out in blocks by the USDO or financial management officer to the cashier. The 4 FAH-3 H-396 and the CUG Chapter 6 provide additional guidance for documenting collections and generating Form OF-158.
- d. Appropriations, allotments, or other account information to be entered on Form OF-158 for official collections are listed in 4 FAH-1. The person giving the funds to the cashier should provide or obtain the fiscal data for the cashier to use in recording the collection.
- e. If the collection is to be credited to another agency and the detail coding information is not known, the deposit is credited to the agency designated Budget Clearing Account (BCA) used for this purpose. If the agency is not known, the deposit is credited to the Department of State suspense account available for this purpose (see 4 FAH-3 H-322, paragraph c, and 4 FAH-1 H-252). When the fiscal data becomes known, the financial management officer prepares a journal voucher transferring the deposit from the suspense account to the correct account. Post financial management staff must maintain a log to indicate the specifics of these collections being credited to these BCA accounts to document the source and reason for the collection.
- f. Money collected by the consular cashier is turned over daily to the Class B



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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3

Financial Management Procedures Handbook

cashier, following the procedures outlined in the Cashier User Guide (CUG) Chapter 6 and 7 FAH-1 H-700. Consular collections are kept with the other collections received by the Class B cashier.

- g. Procedures for collections using credit/debit cards denominated in U.S. dollars, including the U.S. debit card issued to locally employed (LE) staff overseas, are contained in the Cashier User Guide (CUG), Chapter 7.

## **4 FAH-3 H-325.2 Handling and Use of Collections**

*(CT:FMP-50; 08-26-2008)*

- a. Consistent with the guidance in 4 FAH-3 H-396.1, paragraph g, cashiers may keep collected funds, including consular fees, with other cash resources, provided there is an adequate system to account for the amounts collected.
- b. Cashiers may use collected funds to cash replenishment checks or to reduce replenishments, as authorized in 4 FAH-3 H-396.5.

### **4 FAH-3 H-325.2-1 Limits on Amounts and Retention Time**

*(CT:FMP-50; 08-26-2008)*

Overseas cashiers must follow collection requirements in 4 FAH-3 H-396.5 and 4 FAH-3 H-311.9 for the disposition of money collected from the public. Since disbursing officers must use available collections before purchasing local currency, the U.S. disbursing officer (USDO) may require more frequent deposits of cashier collections based on such factors as volume of collections, stability of the exchange rate, ease of transmission of collections, and distance or time.

### **4 FAH-3 H-325.2-2 Exchange Rate for Overseas Collections**

*(CT:FMP-87; 01-07-2015)*

With few exceptions, overseas cashiers use the prevailing rate of exchange *obtained from the International Currency Exchange Rates website* (see 4 FAH-3 H-396.2).

### **4 FAH-3 H-325.2-3 Guidelines for Accepting Overseas Local Currency Collections**

*(CT:FMP-50; 08-26-2008)*

- a. When refunds or reimbursements are due as repayments to an appropriation or other fund, the repayment is considered completed if the same kind of currency units is collected as was originally paid and in the number of units for which repayment is due. For example, local currency can be collected in payment of an amount due in local currency and dollars can be collected for dollars due.
- b. A refund or reimbursement may also be accepted in a currency different from



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that originally paid. The number of units repaid in one currency must be equivalent on the date of repayment to the number of currency units due in the other currency. This principle applies to all collections whether the original payment was in U.S. dollars or local currency. To compute the equivalent units to be repaid, different rates are used for different situations:

- (1) Collections such as consular fees may be made at rates slightly higher than the bank-selling rate to avoid handling numerous coins of small denomination, or if coins are not readily available (see 7 FAH-1 H-724.2). This adjusted rate is the "consular rate," set jointly by the accountable consular officer and the financial management officer, and used by both the consular section for collecting fees and the Class B cashier on Form OF-158, General Receipt, for consular collections;
- (2) Amounts due in local currency may be collected in U.S. dollars at the prevailing rate of exchange; and
- (3) Amounts due in local currency that must be reported in U.S. dollars are converted to dollar equivalents at the same rates used (if known) for converting the original local currency payments (for example, refunds of travel advances, erroneous payments, overpayments, or other payments from official funds). If the original rates are not known, the collected amounts are converted to dollar equivalents at the prevailing rate on date of collection (for example, proceeds of sale of surplus materials).

## **4 FAH-3 H-325.3 Acceptance of Checks for Collections**

*(CT:FMP-50; 08-26-2008)*

- a. Checks received by any U.S. Government employee are accepted subject to actual collection of the funds. If any check cannot be collected in full or is lost or destroyed before collection, the accepting agency is responsible for obtaining the proper payment. A payment by check is not effective unless and until the full proceeds have been received. Personal checks are not accepted for consular services abroad.
- b. Persons drawing checks overseas should be instructed to draw them payable to the American Embassy [city name], and those in the United States should be instructed to make checks payable to the U.S. Department of State. If the refund is for another agency, the name of the agency may be provided if appropriate. Checks already made payable to the United States Treasurer can be accepted as written.
- c. When accepting a check for collection, the cashier or USDO must obtain full information about the maker of the check, in accordance with CUG Chapter 6, and enter it on Form OF-158, General Receipt.
- d. At overseas posts, cashiers may receive checks drawn on host country currency local banks (e.g., vendor refunds of overpaid invoices). These checks should

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

also be made payable to the American Embassy [city name]. The cashier should record the collection on Form OF-158 as a collection by check and then deposit this host country currency check into the U.S. disbursing officer (USDO) bank account. The cashier must obtain an original bank deposit slip. The post financial management officers (FMO) or designee must control these host currency deposits to ensure that only original bank deposit slips are on file and match appropriate collections.

#### **4 FAH-3 H-325.3-1 Endorsement of Checks**

*(CT:FMP-50; 08-26-2008)*

The employee depositing checks is responsible for properly endorsing the reverse of the checks. USDOs provide the accepted notation to be entered for overseas collections.

#### **4 FAH-3 H-325.3-2 Deposit of Checks**

*(CT:FMP-50; 08-26-2008)*

U.S. disbursing officers provide instructions for the deposit of checks overseas. Detailed procedures are contained in 4 FAH-2 H-312 and 4 FAH-2 H-313.

#### **4 FAH-3 H-325.3-3 Uncollectible Checks**

*(CT:FMP-50; 08-26-2008)*

For checks that are returned by the depository as uncollectible, procedures are in 4 FAH-2 H-318.

#### **4 FAH-3 H-325.4 Official Collections by Overseas Consular Agents**

*(CT:FMP-74; 07-09-2013)*

- a. Consular agents are required to ensure that the appropriate fee, as evidenced by an official receipt, is paid for any service provided. All fees for consular services will be paid directly to the consular agency's officially designated subcashier. This may be the consular agent if the agency has no consular clerk or other employee to act as a subcashier. Consular agents are not authorized to open official checking accounts with local banks without specific authorization from the FMO and the servicing USDO. The FMO, in consultation with the regional security officer, must ensure that adequate controls are in place for the secure storage, deposit, and transfer of official collections. Specific procedural guidance to consular agents for consular agency fee collections is found in 7 FAH-1 H-780.
- b. Fees collected by consular agents must be paid in cash, either in U.S. dollars or local currency, except as provided otherwise in this paragraph. Traveler

**4 FAH-3 H-320** Page 18 of 42

**UNCLASSIFIED (U)**

**UNCLASSIFIED (U)**

checks, cashier checks, and money orders may also be accepted. The rate of exchange is the "consular rate," set jointly by the Embassy's accountable consular officer and the FMO. Personal checks may not be accepted by consular agents; credit cards may be used on a country-by-country basis as approved by the FMO.

- c. Consular agents must use the Automated Cash Register System (ACRS) or Form DS-4042 (formerly Form OF-233), Consular Cash Receipt and Record of Fees, to receipt consular fees. Daily, or at least once a week (or immediately when total collections on hand exceed \$5,000 equivalent in value), the consular agent must deposit the collections to the USDO bank account or transfer the funds in accordance with written instructions provided by the FMO. Supporting documentation, including cover memo, bank deposit slips, ACRS end-of-day reports, or copies of Form DS-4042 receipts, as appropriate, must be faxed or sent to the financial management office no later than the next business day. After verifying the deposits, the Class B cashier faxes a copy of the Form OF-158, General Receipt, to the consular agent; sends the original to the subcashier; and provides a copy to the Embassy's supervisory consular officer.

## **4 FAH-3 H-325.5 Credit Card Collections Overseas**

*(CT:FMP-74; 07-09-2013)*

- a. Overseas electronic point-of-sale collections, commonly referred to as credit card transactions, must be approved by the USDO prior to establishing a process at the post or consulate. U.S. Government credit cards may also be accepted subject to authorization and establishment of procedures and accounting transactions by CGFS/F.
- b. The financial management or consular officer is responsible for submitting credit card collection requests to the servicing USDO for approvals. CA/EX or the responsible consular officer at an overseas post are responsible for coordinating consular credit card collection activities, when authorized, with the USDO and/or FMO responsible for the post Class B cashier.
- c. The post financial management officer is responsible for ensuring that all approved credit card authorizations are properly controlled and consistent with CGFS collection instructions for maintaining internal controls. A reconciliation and processing issue will occur if there is a significant delay between the credit card collection processed by CA through the Automated Cash Register System (ACRS)/banking system and the corresponding Form OF-158 that is prepared for CA credit card collections. The Form OF-158 should be issued soon after the consular agent makes the deposit to the local USDO account in order for the dates to be compatible and researchable in a reconciliation process.
- d. The consular officer responsible for consular credit card collections must follow the procedures found in 7 FAH-1 H-700 and support FMO responsibilities to maintain proper internal controls over credit cards processed through the Class

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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

B cashier. U.S.-based and -approved foreign bank credit card collections must be identified with the correct fund cite and supported with sufficient documentation. Reports must be in place to permit data analysis, posting to accounting records, error correction, and reconciliations of collections to services provided. Post financial management personnel must have written procedures at the point of sale (where the card is accepted) to ensure credit card processing is controlled and consistently executed.

- e. In countries where the U.S. debit card program has been implemented, the Cashier User Guide (CUG), Chapter 7, provides the procedures for both financial management personnel and LE staff travelers when it is necessary to collect U.S. dollars using the pre-paid card.

## **4 FAH-3 H-325.6 Lockbox and Collections Through Third Parties**

*(CT:FMP-50; 08-26-2008)*

- a. Individual posts may not establish lockbox collection arrangements until approved by the USDO.
- b. The Bureau of Consular Affairs is authorized to negotiate third-party collection arrangements with banks in overseas locations. However, this activity should be coordinated with the post FMO and approved by the servicing USDO.

## **4 FAH-3 H-326 SUSPENSE DEPOSITS ABROAD (SDA) TRANSACTIONS OVERSEAS**

### **4 FAH-3 H-326.1 Suspense Deposits Abroad (SDA) Transactions**

*(CT:FMP-87; 01-07-2015)*

- a. Suspense deposits abroad (SDA) transactions are official collection amounts for payments on behalf of and as directed by the depositors. The U.S. Government is responsible to each such depositor for ensuring that amounts received are appropriately disbursed and/or returned.
- b. The FMO (or the management officer if there is no FMO) makes all the decisions regarding the collection and disbursement of SDA transactions in accordance with depositor instructions and guidance in this section. The Class B cashiers will accept approved deposits to 19X6809 SDA accounts and the assigned allotment accountant will perform the account maintenance to insure a separation of duties for internal control purposes.
- c. SDA collections are deposited to 19X6809 and recorded in the cashier's Form OF-209, Accountability Record, and the financial management records in the

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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3

Financial Management Procedures Handbook

same manner as other official collections. *Moneys* received are not held separately, but are deposited, remitted, or retained together with other official collections.

- d. Deposits to the suspense deposits abroad (SDA) Account are receipted on Form OF-158, General Receipt, in the same manner as for other official collections. Form OF-158 is the cashier control document for SDA transactions. This SDA record provides control figures for the verification of balances shown on all active general receipts, and for the monthly reconciliation of collection and payment totals reported on the disbursing officer's Statement of Transactions, Form SF-1221. The Cashier User Guide (CUG), Chapter 6, provides procedures for recording SDA collections and the use of Form OF-158.
- e. Since the SDA account is maintained in dollars, a local currency deposit is converted to the U.S. dollar equivalent at the prevailing rate. This rate at the time of collection is then used for payments against the deposit.
- f. SDA payments may be made by a check from a disbursing officer, via electronic funds transfer (EFT), or in cash from the cashier's operating cash advance. Payments in foreign currency are made at the exchange rate at the time of the original collection. Payments, including refunds of unused balances to depositors, are recorded in the financial management system in the same manner as other official payments. An SDA payment cannot exceed the balance in the SDA account for the depositor. After all payments are made, including any refund, the account balance must be zero.

## **4 FAH-3 H-326.2 Approved Uses of the Suspense Deposits Abroad (SDA) Account**

*(CT:FMP-50; 08-26-2008)*

- a. Unless an exception is granted in accordance with 4 FAH-3 H-326.2-8, the SDA account may only be used for the following purposes:
  - (1) Collections and payments for approved consular services for American citizens (e.g., Overseas Citizens Services (OCS) trust transactions, fees for deposition of a witness abroad for a U.S. court in accordance with 7 FAM 920);
  - (2) Collections received by the Secretary of State from foreign governments and other sources, in trust for citizens of the United States and others under 22 U.S.C. 2686a;
  - (3) Collections and payments on behalf of Department of State and other U.S. Government employees in accordance with 4 FAH-3 H-326.2-4;
  - (4) Department of State-approved collections from foreign governments, international organizations, nongovernment organizations (NGOs), private individuals, or private organizations in accordance with 4 FAH-3 H-326.2-5;

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- (5) Collections and payments involving international schools and employee associations or commissaries in accordance with 4 FAH-3 H-326.2-6; and
  - (6) Funds for which owners cannot be immediately verified in accordance with 4 FAH-3 H-326.2-7.
- b. Individual posts may further restrict the use of the SDA when local conditions warrant. In addition, FMOs should establish post policies that minimize the need to use the SDA for U.S. Government employees under 4 FAH-3 H-326.2-4.
  - c. SDA accounts may not be used for deposits originating from another Federal agency (i.e., appropriated funds) and may only be used for transactions originating from sources outside the Treasury system in accordance with guidance in this section. An FMO or other Department of State official may not use the SDA to receive or make payments for other Federal agencies when the funds come from appropriations, other official funds (including gift funds), or any other source in the Treasury system.
  - d. Official collections, regardless of amount, that are designated at time of collection for credit to U.S. Government funds, are recorded to the relevant agency's accounts and not as SDA deposits. The only exception applies when official and non-official funds are commingled in a single collection (e.g., value-added tax (VAT) receipts from a host government) and specific ownership cannot be immediately identified (see 4 FAH-3 H-326.2-7).

#### **4 FAH-3 H-326.2-1 Overseas Citizens Services (OCS) Trust Collections and Dispositions**

*(CT:FMP-50; 08-26-2008)*

- a. For all new Overseas Citizens Services (OCS) trust cases originating October 1, 2006 and thereafter, the SDA 19X6809 with allotment 9941 must be used for overseas OCS trust collections (see 4 FAH-3 H-324.6), with an assessment of the applicable fees described in 4 FAH-3 H-324.6 paragraph c.
- b. The consular officer overseeing the collection and deposit to the SDA account must clearly identify the name and post where the deposit occurred (specific contact information for the post accepting the funds and for the person authorizing the disposition) as well as the post that will make the payment, the designated person to receive the funds where the payment will be made, and the purpose of the funds.
- c. Upon receipt of an authorization from the post that accepted the funds, the paying post arranges to make the payments and coordinates the collection with the post financial management officer (FMO). The accepting consular officer will provide instructions to the paying post consular officer. The FMO at the paying post should be apprised of these instructions. Vouchers at the paying post are charged to account 19X6809 (allotment 9941) consistent with any



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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3

Financial Management Procedures Handbook

fiscal strip information provided from the accepting post. The reporting, final processing, and close-out of unclaimed balance procedures are identical to the procedure at 4 FAH-3 H-324.6.

#### **4 FAH-3 H-326.2-2 Proceeds From Estates of Deceased American Citizens**

*(CT:FMP-50; 08-26-2008)*

Collections and deposits of proceeds from estates of U.S. citizens who die overseas will be credited to deposit fund 19X6066, which has been established for this purpose. The Suspense Deposits Abroad (SDA) account should not be used for this purpose. Address consular officer questions regarding proceeds from estates of deceased American citizens to the Office of the Deputy Assistant Secretary for Overseas Citizens Services (CA/OCS).

#### **4 FAH-3 H-326.2-3 Other Consular Functions**

*(CT:FMP-74; 07-09-2013)*

- a. SDA transactions may hold funds that are provided to pay consular fees in connection with the deposition of a witness in a foreign country by consular officers (see 7 FAM 920 and 7 FAM 921, paragraph n, since there are various types of dispositions subject to a per-hour consular fee). Checks transmitting these funds should be immediately deposited into the SDA account and not held until the depositions are completed or otherwise allowed to expire. Since the consular fee is based on the time spent on the deposition and is unknown at the time the funds are received, the financial management officer (FMO) is permitted to deposit the funds in 19X6809 until the actual fee is known. Once the cost is identified, the FMO coordinates with the consular section to collect the fee for this official consular service through the Automated Cash Register System (ACRS) for credit to the General Treasury Account (190830). Any unused funds are remitted to the original depositor.
- b. Except where authorized in this section or by CGFS/FPRA/FP under 4 FAH-3 H-326.2-8, all consular fees and other payments by American and foreign individuals should be processed through the official accounts for consular functions. An FMO may not use the SDA for deposits from Americans seeking to use it for personal matters related to immigration, adoption, or other personal business between the individual and the host government.

#### **4 FAH-3 H-326.2-4 Using the Suspense Deposits Abroad (SDA) Account for U.S. Government Employees**

*(CT:FMP-74; 07-09-2013)*

- a. Unless an exception is granted by CGFS/FPRA/FP under provisions in 4 FAH-3 H-326.2-8, the Suspense Deposits Abroad account may be used to support

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certain U.S. Government employee payments for official business or when required by the post as a result of the employee's overseas assignment only in the following circumstances:

- (1) Deposits from employees leaving post to pay utility bills (e.g., telephone, gas, water), where utilities are in the name of the employee or are the responsibility of the employee;
  - (2) Deposits from employees leaving post to pay for damage claims (e.g., caused by pets) that a post may assess for U.S. Government-provided quarters where a final determination or disposition of the claims cannot be made prior to departure;
  - (3) Deposits for residential telephones or other utilities listed in the post's name, or for personal long-distance telephone call invoices that will be received during a post billing cycle; and
  - (4) Deposits for drivers license/plate fees and other payments that are the personal responsibility of the employee but which the post (U.S. Government) is required to pay directly to the host government or other designated entity.
- b. The SDA account may not be used to make personal payments on behalf of U.S. Government employees or dependents unless specifically authorized in accordance with provisions in 4 FAH-3 H-326.2-8. The following are examples of SDA transactions that are not authorized for U.S. Government employees:
- (1) Deposits to purchase new vehicles or household effects for delivery to the post, onward assignment, or to the United States; and
  - (2) Deposits of currency or other financial instruments for transfer to an employee bank account or other depository inside or outside the host country.

**4 FAH-3 H-326.2-5 Using the Suspense Deposits Abroad (SDA) for Foreign Governments, International Organizations, Nongovernment Organizations (NGOs), or Private Individuals or Organizations**

*(CT:FMP-50; 08-26-2008)*

- a. Under unusual circumstances involving natural disasters, terrorist incidents, or similar emergencies, the FMO may be authorized to use the Suspense Deposits Abroad (SDA) to deposit collections from a foreign government, international organization, nongovernment organization (NGO), or private individual or organization donating funds for a humanitarian need. However, the financial management officer (FMO) may only use the SDA for this purpose when authorized in advance by the Department.
- b. The SDA may not be used to transfer funds when there is no official U.S.



**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3

Financial Management Procedures Handbook

Government purpose for the transaction. Situations where it would generally not be appropriate to use the SDA include:

- (1) Deposits from individuals for transfer to NGOs operating outside the host country;
- (2) Deposits from NGOs operating in the host country for transfer to a parent NGO outside the country;
- (3) Any deposit or transfer on behalf of an international organization, private individual, private organization, or NGO that would violate local law; and
- (4) Deposits for grant recipients.

#### **4 FAH-3 H-326.2-6 Suspense Deposits Abroad (SDA) Payments in Support of International Schools and Employee Associations and Commissaries**

*(CT:FMP-50; 08-26-2008)*

- a. The Department of State provides certain types of support to American International schools and employee associations and commissaries (see 6 FAM 500). Posts, therefore, may use the SDA account to support certain payment requirements of these organizations.
- b. The FMO is authorized to use an SDA account for the entities described in 4 FAH-3 H-326.2-6, paragraph a, without specific Department of State authorization only when the purpose relates to the following activities:
  - (1) Overseas American International School deposits for payments related to school procurement and shipping of items (i.e., supplies and books) when authorized by post regulations; and
  - (2) American Employee Association or commissaries procuring food and other essential supplies and equipment in hardship locations when other means for placing procurements and making payments are not available. However, this provision applies to employee associations only when the transactions do not violate local laws and the authorization for supporting the association using the SDA is clearly documented in published post policies.
- c. Financial management officers (FMOs) are prohibited from using the SDA for the following purposes:
  - (1) Salary payments, building construction, or major procurements to support overseas schools or employee associations; and
  - (2) Deposits and payments for American or other contractors supporting the U.S. Mission that are not covered by this section.

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

**4 FAH-3 H-326.2-7 Using the Suspense Deposits Abroad (SDA) for Funds Whose Owners Cannot be Identified**

*(CT:FMP-74; 07-09-2013)*

- a. There are occasions where funds are received without specific identification of the owner or the owner cannot be immediately located or where funds are owned by multiple individuals or entities, some of whom may be private individuals. When this occurs, the SDA may be used as a temporary holding account pending identification of actual ownership of the funds. FMOs are authorized to use the SDA without specific Department approval only for the following:
- (1) Termination payments from the Foreign Service National (FSN)-Defined Contributions Retirement Fund in those cases where the payments are to be made in cash but the former employee is not paid immediately and the funds must be temporarily held by post;
  - (2) Lump sum value-added tax (VAT) reimbursements made by a host country government when the reimbursement payment includes refunds for both the U.S. Government and individual employees. Once actual ownership amounts for the refunds are determined, the VAT refunds for employees should be paid from the SDA. The VAT refund owed to the U.S. Government for official transactions should be cleared from the SDA and applied to the appropriation and obligation from which it was paid; and
  - (3) For proceeds of sale situations authorized in 4 FAH-3 H-327.2-1, paragraph f.
- b. The Suspense Deposits Abroad (SDA) account (19X6809), for the purposes authorized in this section, may be used only to hold funds temporarily. FMOs must ensure adjustments or changes are processed as soon as possible to clear the entry and credit the appropriate official accounts when the funds belong to the U.S. Government. Similarly, the FMO should expeditiously process amounts owed to individuals with a goal to clear all amounts owed to U.S. Government and private individuals within 30 business days.

**4 FAH-3 H-326.2-8 Policy and Procedure for Requesting Exceptions for SDA Uses**

*(CT:FMP-74; 07-09-2013)*

The Office of Financial Policy (CGFS/FPRA/FP) will consider FMO requests for exceptions to SDA guidelines on a case-by-case basis if there are extraordinary and compelling justifications to do so and the exception does not violate applicable law or regulations. CGFS will not consider exceptions to accommodate an individual's personal business needs or to circumvent rules and procedures governing official funds.

## **4 FAH-3 H-326.3 Unused Suspense Deposits Abroad (SDA) and Deposit Fund Balances**

### **4 FAH-3 H-326.3-1 Disposition of Unused SDA and Other Deposit Fund Balances**

*(CT:FMP-87; 01-07-2015)*

- a. Instructions for the disposition of unclaimed balances in SDA accounts and other deposit funds are set forth in Treasury Financial Manual, Part 6-3000, Payments of Unclaimed Moneys and Refund of Moneys Erroneously Received and Covered.
- b. Balances in SDA and other deposit accounts must be reviewed quarterly to determine if there are unclaimed balances that should be refunded to the depositor. Amounts of \$25 or more should be returned promptly to the depositor without the presentation of a claim. Any unused balance must be refunded immediately when requested by the depositor. At the end of each fiscal year, accounts having remaining balances with no further payments anticipated should be processed according to Treasury criteria.
- c. Properly refundable balances that have been held for more than 1 year and cannot be refunded because the depositor's whereabouts are unknown are to be transferred to Treasury account for Payment of Unclaimed *Moneys* (20X6133), if the following criteria are met:
  - (1) Amount is \$25 or more;
  - (2) A refund, upon claim, would be absolutely justified;
  - (3) There is no doubt as to legal ownership of the funds; and
  - (4) A named individual, business, or other entity can be identified with the item.
- d. The Form OF-1017-G, Journal Voucher, or comparable form should be prepared for the total of all balances meeting these criteria, transferring the total from the deposit account to Treasury account 20X6133. The voucher must bear the notation "Unclaimed Balances." A list is attached to include the following for each balance: name of depositor, last known address, Form OF-158 receipt number by which collected, and the U.S. dollar equivalent amount. The transfer is noted on the cashier's control copy of each Form OF-158 receipt.
- e. Unclaimed balances of less than \$25, or amounts of \$25 or more that have been held for more than 1 year but do not meet the criteria in paragraph c above, are transferred on a Journal Voucher from the deposit account to Treasury miscellaneous receipt account 19 1060, Forfeitures of Unclaimed Money and Property. For individual amounts over \$25, a depositor list similar to that in paragraph d is included with the OF-1017-G voucher or comparable form. A total of all balances of less than \$25 is shown with the legend

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

"Unclaimed balances of less than \$25." The transfer is noted on the cashier's control copy of each Form OF-158 receipt.

#### **4 FAH-3 H-326.3-2 Subsequent Requests for Transferred Deposit Fund Balances and Maintenance of Records**

*(CT:FMP-87; 01-07-2015)*

- a. Refunds of deposit fund balances that have been transferred to Treasury accounts may be made. However, if there is any doubt concerning the propriety or legality of a claim for payment, the post FMO should refer the matter to the Office of the Legal Adviser (L) through the Office of Financial Policy (CGFS/FPRA/FP).
- b. Refunds of unclaimed balances from account 20X6133 (see 4 FAH-3 H-326.3-1, paragraph c) may be made by check or via EFT when approved by the responsible FMO and supported by a voucher certified by an authorized certifying officer, who is responsible for the validity and accuracy of the claim.
- c. Refunds of unclaimed balances from account 19 1060 (see 4 FAH-3 H-326.3-1, paragraph e) may be made by check from a certified voucher. However, the account charged for the payment is Refund of *Moneys* Erroneously Received and Covered (20X1807). This account should be charged only when collections are deposited into Treasury as miscellaneous receipts and the amount to be refunded is not properly chargeable to any other appropriation.
- d. Although such refunds are paid from Treasury accounts, the post FMO that transferred money to 20X6133 is responsible for maintaining adequate records and including the accounts in its internal audit program. The individual records of all items transferred to the miscellaneous receipt account 19 1060 should be filed in a closed file in the event claims are received. In addition, the post must maintain manual records for 20X6133 and 20X1807 and maintain a file of paid disbursement voucher forms and supporting documentation in accordance with any instructions received from the servicing U.S. disbursing officer (USDO) or Office of the Assistant Secretary for Global Financial Services (CGFS).

#### **4 FAH-3 H-327 PROCEEDS OF SALE OF PROPERTY**

*(CT:FMP-74; 07-09-2013)*

- a. Post financial management officers (FMOs) must follow the policies and procedures in 4 FAH-3 H-327 for collections from the sale of personal and real property overseas. All the collections identified in this section will be processed through an overseas Class B cashier and/or deposited directly to an overseas USDO account.
- b. The Department does not normally generate proceeds of sale from the disposal

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of property in domestic locations, and the collection guidance in this section does not apply to proceeds of sale generated by a domestic bureau or collected via a domestic collection activity. Should a domestic collection occur or appear evident, the responsible financial management officer involved in the collection process should contact CGFS/FPRA/FP for guidance.

- c. Questions concerning the accounting for proceeds of sale or property disposals that are not addressed in the Cashier User Guide (CUG) should be referred to CGFS/FPRA/FP. Questions regarding policies and procedures for the physical disposal of personal property should be addressed to the Personal Property Management Division (A/LM/PMP/PPM).

## **4 FAH-3 H-327.1 Sources of Proceeds**

*(CT:FMP-50; 08-26-2008)*

- a. Proceeds of sales of the following categories of property overseas must be collected, recorded, and utilized in accordance with this section:
  - (1) Sales proceeds from real property, including land, land improvements, buildings, and structures, are deposited to the Office of Overseas Buildings Operations (OBO) appropriation 19X0535.4 and reallocated by OBO for its asset management program. Additional guidance for the disposition of real property is in 15 FAM 500;
  - (2) Regulations and procedures for the disposal of personal property are in 14 FAM 417. Examples of personal property include vehicles, furniture, equipment, supplies, appliances, and machinery. Property is categorized with specific budget object codes (BOCs) according to the nature of the property. For example, there are BOCs for vehicles, security equipment, and communications equipment. Sales proceeds from personal property are available for purchasing similar replacement property within the same budget object codes, in accordance with Department regulations. The proceeds must be reapportioned and allotted;
  - (3) The sale of some property and equipment requires specific approval of the oversight bureau or responsible individual. For example, the sale of any security equipment requires the approval of the regional security officer (e.g., closed circuit television (CCTV) cameras, locking mechanisms, alarm components, ballistic doors and windows, residential doors and grilles, security vehicles, and metal detectors). The sale of computer or other equipment funded under the border security program using machine-readable visa (MRV) funds should be deposited to the MRV appropriation 19X0113. 6. Similarly, communication equipment, information technology, and medical equipment usually require coordination with functional bureaus prior to disposal. FMOs are encouraged to work with the post general services officer (GSO) to confirm the correct procedures and collection reporting requirements prior to generating sale proceeds; and

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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

- (4) Department of State personal property in a foreign area may be declared as excess property only with Department concurrence (see 14 FAM 400). Proceeds from sales of excess property are deposited to the Treasury miscellaneous receipts account and are not available for obligations.
- b. Proceeds of sales of personal property for other U.S. Government agencies are processed in accordance with the regulations of those agencies.

## **4 FAH-3 H-327.2 Processing Proceeds of Sales**

*(CT:FMP-50; 08-26-2008)*

In addition to guidance provided in this section, detailed procedures for collecting and reporting proceeds of sales are contained in the Cashier User Guide (CUG) Chapter 6. Reporting codes and revenue source codes pertaining to proceeds are found in 4 FAH-1 H-322 and 4 FAH-1 H-620, respectively.

### **4 FAH-3 H-327.2-1 Accounting for Proceeds**

*(CT:FMP-74; 07-09-2013)*

- a. Cashiers must accurately record proceeds collection information on Form OF-158, General Receipt, to ensure the proper recording of proceeds in official accounting records. A copy of Form OF-158 for the sale of real property must also be sent to the Charleston Global Financial Service Center, Accounts Receivable office (CGFS/F/RR) in accordance with the instructions in 4 FAH-3 H-327.4-2 and paragraph c of this section.
- b. For both personal property and real property sales, the accounting entry on Form OF-158 receipt is in dollars or the dollar equivalent if received in local currency. For real property sales, if the sale is in local currency and the currency amount is in excess of the post's immediate disbursing needs or is a nonconvertible currency, the FMO must notify the servicing USDO and make arrangements for handling the collection prior to receipt.
- c. For real property sales, the proceeds are recorded as a deposit to fund symbol 19X0535.4 on the Form OF-158 receipt. The revenue source code (AAAE) is also entered to show the source of the proceeds. A complete description of the property sold, including the property (asset) number and other accounting data as provided by Global Financial Operations Directorate, Office of Accounting Operations (CGFS/F/AO) and/or Overseas Buildings Operations (OBO) must be included on Form OF-158. Additionally, a copy of the sales contract must be forwarded to OBO.
- d. For personal property sales, the fund symbols and allotments used for recording proceeds may vary in accordance with Department authorities and authorized periods of availability. Appropriations must be cited consistent with the applicable authorities for use of proceeds. The fund symbol must be followed by the allotment (reporting code) and revenue source codes shown in



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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3

Financial Management Procedures Handbook

4 FAH-1 H-322 and 4 FAH-1 H-620, with a description of property sold or a reference to sales documents or sales records, showing source of the funds. Supplemental guidance is also available in the CUG.

- e. A Form OF-158 receipt must be issued for each vehicle sold, and reflect both the fiscal data for the property and the vehicle identification number. Since all vehicles are capitalized property, this data is needed to compute a gain or loss on individual vehicles. Therefore, the fiscal data for vehicle sales must be accurate and identify the owning organization and specific vehicle sold. For ICASS vehicles, a vehicle description, vehicle identification number, purchase request number, and sale amount are necessary.
- f. For funds collected from bid auctions at the Embassy where the appropriate account to credit cannot be identified immediately, the cashier prepares a Form OF-158 crediting the SDA account the same day the cash was collected. Upon receipt of the appropriate fiscal data, the USDO issues a noncashier USD (U.S. dollar) voucher debiting the SDA account with the corresponding check to liquidate the SDA account. Upon receipt of this USD check, the cashier prepares a new collection in USD crediting the appropriate fiscal data.

#### **4 FAH-3 H-327.2-2 Proceeds Generated From On-Line Internet Auction Sales**

*(CT:FMP-74; 07-09-2013)*

- a. A/LM permits the sale of personal property over the Internet. The actual process used is at the discretion of the post in accordance with 14 FAM 417.2-3. However, post property disposal policies using the Internet must be approved by the FMO and USDO. These policies must provide instructions for receiving collections, transferring property titles, paying fees or other costs, and issuing receipts. The policies must also clearly describe the duties that must be performed by the GSO, FMO, Class B cashier, and any other third party/agent that will be involved in Internet property disposal process.
- b. The FMO is not authorized to release the USDO account information without the consent of the servicing USDO, and cashiers may not process individual payments for on-line sales over the Internet or accept electronic funds transfers directly from individuals. However, buyers of the property may appear in person to complete the purchase with either cash or an approved bank cashier check. (There is no mechanism for cashiers to receive payment for sales by credit card.) Cashiers must issue a Form OF-158, General Receipt, to each individual for the collected amount in accordance with 4 FAH-3 H-327.2-3.
- c. If Internet sales are held on-line but property is transferred without a cashier being present, cashiers may accept cash or authorized bank cashier checks presented by GSO personnel when they are presented with the appropriate supporting documentation. Copies of the documentation must be initialed by a property disposal officer or another official responsible for property disposal,

**UNCLASSIFIED (U)**

and the total collected must match the amount identified in the documentation. Cashiers may issue a single Form OF-158 receipt for a collection resulting from the sale of noncapitalized property. If the sale includes vehicles, individual Form OF-158s must be issued for each vehicle sold (see 4 FAH-3 H-327.2-1, paragraph d, for receipt requirements for capitalized property). The GSO-provided documentation must be attached and filed with hard copies of any Form OF-158s issued for the collection.

- d. In locations where the property disposal procedure authorizes the use of an agent for disposals conducted on the Internet, the procurement document for agent services must:
  - (1) Include instructions for agents making payments to the USDO designated account;
  - (2) Specify that agents may not make more than one transfer of proceeds of sale to the specified account per day;
  - (3) Establish a minimum amount to be deposited per day with all amounts to be deposited by the last workday of the week;
  - (4) Require agents to itemize the total transaction for the unit(s) of property sold/proceeds collected (Note: the final sales price of each item must be separately identified, as well as the net proceeds after sales commission, fees, or other costs); and
  - (5) Require that itemized listings reflect the date the proceeds were transferred to the designated account and the corresponding amount of the proceeds.

#### **4 FAH-3 H-327.2-3 Expenses of Sale**

*(CT:FMP-74; 07-09-2013)*

- a. The 40 U.S.C. 571(b) permits expenses incurred in connection with the sale of personal property to be paid directly from the proceeds, with only the net proceeds deposited in the appropriate account. Deducted costs must be legitimate expenses directly related to the sale.
- b. Expenses of sale for personal property that may be deducted from sale proceeds include advertising, auctioneer fees, customs fees, duties, taxes, commercial transportation, contractor labor, additional security, rental of temporary space, and equipment rentals directly related to the sale of the property. Regular salary or overtime payments for American or locally employed staff may not be deducted from sale proceeds since property sales are considered normal post business.
- c. Proceeds received for sale of personal property may be deposited into the budget clearing account (BCA) when sale transactions are incomplete (e.g., buyer has not made a complete payment) or when sales documentation or invoices for selling expenses have not been identified or completely paid. If



**UNCLASSIFIED (U)**

reporting of the deposit would be delayed by waiting to obtain documentation of these expenses, and the expenses are insignificant, the gross proceeds should be deposited immediately in the appropriate account (not into the BCA), and the expenses should be paid later from post funds once documentation is available. However, to the maximum extent possible, all BCA balances for incomplete transactions and sale expenses should be transferred to the correct proceeds account within 10 business days of deposit.

- d. Expenses associated with the disposal of real property may not be deducted from the sale proceeds. Post personnel overseeing the sale must request approval and funding for these expenses from the Bureau of Overseas Buildings Operations, Office of Acquisitions and Disposals (OBO/PRE/OAD) for sale, exchange, lease, or license expenses such as fees for agents or brokers, surveys, advertising, legal services, appraisals, and closing costs.

## **4 FAH-3 H-327.3 Use of Proceeds**

*(CT:FMP-50; 08-26-2008)*

- a. Proceeds must be collected, reflected in the USDO's reporting to Treasury, and recorded in the financial management system before they may become available for allotment and obligation.
- b. 40 U.S.C. 503 and the related GSA regulations (41 CFR 102-39) permit the Department to use personal property sale proceeds only to pay for replacement property. This general authority governs the retention and use of Department sale proceeds unless there is specific authority to use sale proceeds for other purposes.
- c. Proceeds from the sale of personal property are available for obligation only during the fiscal year in which the property was sold and for one full fiscal year thereafter. Specific authority for other time periods available to the Department are as follows:
  - (1) Personal property sale proceeds credited to ICASS (X4519.1) are available without fiscal year limitation consistent with Section 13 of the State Department Basic Authority Act (22 U.S.C. 2684); Personal property sale proceeds credited to OBO (x0535) are available without fiscal year limitation consistent with section 9 of the Foreign Service Buildings Act (22 U.S.C. 300); and
  - (2) Proceeds from sales of official passenger motor vehicles at posts abroad are available without fiscal year limitation for replacement of an equal number of such vehicles under section 7 of the State Department Basic Authority Act.
- d. To make maximum use of available resources, proceeds of sale of Department personal property may be applied to a different program or activity within the Department, including to other regional bureaus, offices, or appropriations, so

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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

long as the proceeds are used only for the purchase of replacement property. However, most regional and functional bureaus allot the funds for personal property to the post or organization that generated the proceeds.

- e. ICASS proceeds involve inter-agency property replacement activity at the post level. Proceeds of sale of ICASS personal property deposited to X4519.1 are allotted by the regional bureau to the post that generated the proceeds.
- f. Overseas real property proceeds of sale are governed by section 9 the Foreign Service Buildings Act (22 U.S.C. 300). Real property proceeds generated from OBO building sales are indefinite, credited to 19X0535.4 and allotted by the Bureau of Overseas Buildings Operations.

## **4 FAH-3 H-327.4 Administrative Control of Proceeds of Sale and Replacement Property**

### **4 FAH-3 H-327.4-1 Reporting Estimated Proceeds of Sale Amount**

*(CT:FMP-50; 08-26-2008)*

Each fiscal year, the FMO in consultation with the GSO should estimate the personal property requirements for the post and constituent locations for the following fiscal year. In accordance with any procedures issued by the respective regional or functional (e.g., DS, OBO, INL) bureau, the FMO should inform that bureau of its estimated sales and planned replacement goals for personal property. A negative response is required if the post does not anticipate generating proceeds of sale.

### **4 FAH-3 H-327.4-2 Cash Collections and Property Records for Real Property and Vehicle Sales**

*(CT:FMP-74; 07-09-2013)*

- a. OBO/PRE/OAD must notify CGFS of all the pending overseas real property sales on a quarterly basis, regardless of the timing of the cash collection. Real property sales and any related accounts receivable will only be posted after the sale has actually closed.
- b. For real property sales, the Global Financial Operations Directorate, Office of Accounting Operations (CGFS/F/AO) and the Global Financial Operations Directorate, Accounts Receivable office (CGFS/F/RR) will coordinate the recording of an accounts receivable prior to the end of the quarter. The receivable will represent all completed disposals/sales when the cash collection has not yet been recorded in the general ledger and will be based upon the OBO information supporting the sale, selling price, and disposal date. The accounts receivable balance will be liquidated by subsequent collections.

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- c. OBO must provide CGFS/F/AO/AA with a copy of the sales contract (or other legal document) to support the selling price and disposal/sale date of the property sold.
- d. Upon completion of a vehicle sale, the post FMO must provide CGFS/F/AO/AA the completed Form DS-1559, Authorization for Disposal of Vehicle, consistent with instructions in 14 FAM 439. The selling price recorded in the Form DS-1559, the collection amount on the Form OF-158, and amount of adjustment to property records should all be consistent and be reported on a timely basis. The completed Form DS-1559 should be scanned and forwarded to the Personal Property mailbox (PersonalProperty@state.gov) within 10 days of sale.

#### **4 FAH-3 H-327.4-3 Use (Obligation) of Sale Proceeds for Replacement Property**

*(CT:FMP-50; 08-26-2008)*

- a. A key element in proceeds of sale is the concept of similarity of replacement items procured. Items are deemed "similar" when one of the following conditions exists:
  - (1) They are identical in all material respects and characteristics, excluding condition, year, model, size or capacity, and manufacturer;
  - (2) They are designed or adapted for the same specific purpose; or
  - (3) They constitute parts of (or parts for) similar assembled items defined above.
- b. For funds control and obligation purposes, the working categories for "similar" items are defined by expense subobject, that is, proceeds from the sale of household furnishings may be used for household furnishings, office furniture, office equipment, and the like.
- c. Since sales proceeds are funds with a limited availability with respect to both time and purpose, the post financial management office must maintain a record, by fiscal year, showing the proceeds generated. The post must also have a procedure in place to ensure that the replacement items purchased with sale proceeds are similar in nature to the items that generated the proceeds. A detailed cross-reference between old and new items is not required for each voucher. However, there must be sufficient data to establish that the items acquired were similar to the items sold and that the procurement process complies with 40 U.S.C. 503 (see 4 FAH-3 H-327.3).

#### **4 FAH-3 H-327.4-4 Reporting Proceeds and Replacements**

*(CT:FMP-50; 08-26-2008)*

By May 31 of each year, posts should finalize their plans for generating sale proceeds and the replacement obligations that will be created to use the proceeds.

Unneeded proceeds should be reported to the relevant regional bureau or the Bureau of Diplomatic Security (DS) in order to allow the use of any unneeded proceeds by other posts. When the funds are to be made available to another post, the reporting post must identify the type of personal property sold to ensure that the replacement property meets the similarity requirements in 4 FAH-3 H-327.4-3.

## **4 FAH-3 H-328 PUBLIC DIPLOMACY AND EDUCATIONAL PROGRAM FEE RECYCLING**

### **4 FAH-3 H-328.1 Recycling Funds Collected From the Public for Public Diplomacy and Educational Programs**

*(CT:FMP-74; 07-09-2013)*

- a. The Department has specific authority under 22 U.S.C. 1475e to collect and retain fees for certain Public Diplomacy (PD) and educational programs. This activity is commonly referred to as “recycling.”
- b. Public diplomacy “recycling” is the process by which the Department and overseas posts exercise legal authority to charge and retain funds generated by English-teaching activities, the sale of agency and post publications, library and student advising fees, educational advising programs, exchange visitor programs, and other programs specifically authorized by Congress to collect and retain fees.
- c. The recycling ceiling is the overall limit or “cap” authorized by Congress annually on the amount of fee income that can be generated and retained by the Department for certain activities. The regional bureaus, in coordination with the Bureau of Budget and Planning (BP), annually establish recycling ceilings for each program and each post participating in one or more of the programs. Ceilings must be adhered to in order to avoid the Department as a whole exceeding its authorized limitation (see 10 FAM 229.1 for English-teaching materials; 10 FAM 229.3 for teaching fees; 10 FAM 227.8-8 for educational advising fees; and 10 FAM 363.6 for Information Resource Center fees).

### **4 FAH-3 H-328.2 Program Guidance**

*(CT:FMP-50; 08-26-2008)*

Department program contact offices for the various recycling programs are:

English-Teaching Programs	ECA/A/L
Student Advising	ECA/A/S

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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

Information Resource Centers	R/IIP/G/IR
Arabic Book Program	R/IIP/G/NEA

## **4 FAH-3 H-328.3 Accounting for Recycling Funds**

*(CT:FMP-74; 07-09-2013)*

- a. Cashiers that receive funds for recycling activities must complete a Form OF-158, General Receipt, and credit collections for the recycling program to appropriation X0113.P. The revenue reporting codes and revenue source codes for these programs are contained in 4 FAH-1 H-324 and 4 FAH-1 H-621.6, respectively. Cashiers must make sure the appropriation and revenue source code are included in the fiscal strip that is printed on the Form OF-158.
- b. To ensure that the bureau can confirm the deposit, personnel at post are required to report the receipt, including receipt number, date, and amount, to the bureaus via telegram.
- c. Collected funds are made available after the deposit has been confirmed in the Department's financial system. The financial management officers in the regional bureaus allot the funds to the posts after the funding authority for the recycling program has been processed by BP.
- d. Post FMO must retain copies of the Form OF-158 receipts and forward them if requested by the regional bureau or CGFS/F/AO.

## **4 FAH-3 H-329 OTHER COLLECTIONS**

### **4 FAH-3 H-329.1 Value-Added Tax and Other Tax Collections**

*(CT:FMP-87; 01-07-2015)*

- a. Financial management officers are responsible for processing reimbursement claims submitted to host governments when there is a U.S. Government claim for a refund of the taxes. While there are a number of local taxes that may be subject to refund (depending upon location), the most widely known is value-added tax (VAT). The Office of Foreign Missions (M/OFM) provides guidance on the taxes that can be claimed for refund and will assist posts on these matters.
- b. Value-added and other taxes that are paid to a host government are accounted for as expenditure refunds when refunded by the host government. Amounts collected should be associated with the actual disbursement transaction and associated accounts receivable. At a minimum, the FMO or designated financial management staff member must ensure that the refund is credited to the same appropriation and allotment used to make the original tax payment.

**UNCLASSIFIED (U)**

U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

- c. Tax refunds from the host government are not available budgetary resources until collected. A financial management officer (FMO) cannot use the funds to create new obligations until received and deposited into an available appropriation and allotment. If the relevant appropriation and allotment have expired but have not been closed, the refunded taxes may be used only to adjust the amount of valid, existing obligations. When a refund is received for a closed appropriation and allotment, the FMO must deposit the funds as a general receipt of the Treasury. The Treasury fund symbol to use for these collections is 193200.

#### **4 FAH-3 H-329.1-1 Tax Collections on Behalf of Other Agencies**

*(CT:FMP-50; 08-26-2008)*

- a. When the post FMO is responsible for host country tax refunds for multiple agencies, each agency should claim its tax refund separately from the host country to the maximum extent local conditions will allow. Reimbursements to non-Department of State entities are expenditure refunds and must be handled in manner consistent with the requirements in 4 FAH-3 H-326.2-7.
- b. When the post FMO receives a single tax reimbursement from a host government for multiple agencies, including the Department of State, the FMO may initially deposit the reimbursement to an Suspense Deposits Abroad (SDA) account until individual amounts can be associated with the correct U.S. Government agency (see 4 FAH-3 H-326.2-7). This should be an exception rather than a standard procedure, and all amounts should be resolved within 15 business days.
- c. Under no conditions should the SDA account be used to make expenditures from host country tax refunds. All amounts must be transferred to the appropriate appropriation and allotment before an obligation or expenditure can be created with these funds.

#### **4 FAH-3 H-329.1-2 Tax Collections for Individuals Eligible for Reimbursement**

*(CT:FMP-50; 08-26-2008)*

- a. At some overseas posts, individuals assigned to the diplomatic mission are authorized to claim reimbursement for host country taxes if the claim is submitted through the embassy or diplomatic mission. This is a permissible activity to the extent authorized by post policy.
- b. Consistent with 4 FAH-3 H-326.2, paragraph d, the SDA may be used for refunds received solely for individuals or when official refunds are mixed with individual refunds in a single transaction (see 4 FAH-3 H-326.2-7). However, the FMO is responsible for expediting and depositing all official funds to the appropriate appropriation and allotment in accordance with this section. Further, all amounts owed to individuals should be cleared from the SDA within

**4 FAH-3 H-320** Page 38 of 42

**UNCLASSIFIED (U)**

## **4 FAH-3 H-329.2 Collection of Foreign Currency Under Terms of Settlement Agreements**

*(CT:FMP-50; 08-26-2008)*

- a. The U.S. Government concludes settlement agreements with foreign governments for payments of principal and interest. In addition, the agreements often provide that the U.S. Government may collect and use certain percentages or amounts in local currency to pay for its requirements in the country.
- b. Each agreement specifies the method of computing the equivalent dollar value of the local currency received. When the local currency payment is received, the collecting post should check the exchange rate provisions of the agreement and the rate used by the debtor government to determine that the rate is in accord with the agreement and is the most favorable the U.S. Government is entitled to receive.
- c. Such agreements require careful recording and reporting of host country payments on the part of cashiers, financial management officers, and disbursing officers. If the post has questions concerning these payments, including the exchange rate, it should request guidance from the servicing USDO.



**UNCLASSIFIED (U)**U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook**4 FAH-3 Exhibit H-321**  
**Examples of Collections***(CT:FMP-74; 07-09-2013)*

<b>Reason for Collection</b>	<b>Symbol Credited</b>	<b>Type</b>	<b>FAH Reference</b>
Overpayment of Pay, Allowance, Travel Reimbursement to Employee	Fund, Allotment and Obligation Originally Charged	Refund	4 FAH-3 H-321.5, subparagraph c(1)
Overpayment for Goods/Service to Vendor, Lessor	Fund, Allotment and Obligation Originally Charged	Refund	4 FAH-3 H-321.5, subparagraph c(1)
Erroneous Payment—See Examples Above	Fund, Allotment and Obligation Originally Charged	Refund	4 FAH-3 H-321.5, subparagraph c(1)
Unused Travel Advance	Fund to be charged with claim, Allotment 9XXX	Refund	4 FAH-3 H-321.5, subparagraph c(1)
Host Country Tax (e.g., VAT) refunded by the Host Government	Fund, Allotment, and Obligation Originally Charged	Refund	4 FAH-3 H-321.5, subparagraph c(1); 4 FAH-3 H-329.1b; (see also 4 FAH-3 H-329.1, paragraph c)
PD Recycling Funds Collected From the Public	19X0113.P	Reimbursement	4 FAH-3 H-321.5, subparagraph c(2) and 4 FAH-3 H-328.3
Interagency Agreement-ICASS	19x4519.1	Reimbursement	4 FAH-3 H-321.5, subparagraph c(2)
Interagency Agreement-Other	(Varies according to bureau providing the services)	Reimbursement	4 FAH-3 H-321.5, subparagraph c(2)
Rents or Utilities From Tenants of U.S. Government-Owned Property	19X0535.3	Reimbursement	4 FAH-3 H-321.5, subparagraph c(2) and 4 FAH-3 H-322, paragraph a
Loss of, Damage to U.S. Government-Owned Property (OBO only)*	19X0535 (appropriate point limitation)	Reimbursement	4 FAH-3 H-321.5, subparagraph c(2) and 4 FAH-3 H-322, paragraph a
Medical Benefits Collected by	19_0113 (X4519.5	Reimbursement	4 FAH-3 H-321.5, subparagraph c(2)



**UNCLASSIFIED (U)**U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

<b>Reason for Collection</b>	<b>Symbol Credited</b>	<b>Type</b>	<b>FAH Reference</b>
Employees From Carriers	as of 10/01/06) Allotment 6025		and 4 FAH-3 H-322, paragraph g
Repatriation Loan Repayments	19X4107	Reimbursement	4 FAH-3 H-321.5, subparagraph c(2) and 4 FAH-3 H-322, paragraph g
Interest on Public Money/Cashier Accounts	191435 or 201435	General Fund Receipt	4 FAH-3 H-322, paragraph b
Gifts to the U.S. (see below for gifts to Department of State)	191299	General Fund Receipt	4 FAH-3 H-322, paragraph b
Consular Fees not retained by Department of State	190830	Miscellaneous Receipt	4 FAH-3 H-322, subparagraph b(3)
Machine Readable Visa (MRV) fees retained by the Department	19X0113.6	General Fund Receipt	4 FAH-3 H-322, subparagraph a(1)
Other Consular fees	(Varies)	(Varies with type of fee collected)	4 FAH-1 H-222 and 4 FAH-1 H-224
Loss Damage to Property Funded From D&CP*	193220	Miscellaneous Receipt	4 FAH-3 H-322, subparagraph b(4)
Fees Collected by Embassy Health Units for Services to Nonofficial Personnel	193220	Miscellaneous Receipt	4 FAH-3 H-322, subparagraph b(4)
Interested Party Telegrams/Phone Calls	193220	Miscellaneous Receipt	4 FAH-3 H-322, subparagraph b(4)
Denied Boarding Compensation	193220	Miscellaneous Receipt	4 FAH-3 H-322, subparagraph b(4)
Government Transportation Home/Office	193220	Miscellaneous Receipt	4 FAH-3 H-322, subparagraph b(4)
Proceeds of Sales-Personal Property to be Replaced Under Post Program	(Varies)	(Varies)	4 FAH-3 H-327.1 (4 FAH-3 H-327.2-1)
Unidentified	19F3875	Clearing	4 FAH-3 H-322,

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**UNCLASSIFIED (U)**U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3  
Financial Management Procedures Handbook

<b>Reason for Collection</b>	<b>Symbol Credited</b>	<b>Type</b>	<b>FAH Reference</b>
Collections Pending Resolution			paragraph c
Suspense Deposits Abroad (SDA) Collections/Payment	19X6809	Deposit	4 FAH-3 H-322, paragraph d; (see also 4 FAH-3 H-326.2)
Citizens Services Deposits/Payments	19X6809 Allotment 9941	Deposit	4 FAH-3 H-326.2, subparagraph a(1)
Conditional Gift Fund Host Country Gift (Advance) of Funds for Reparations to U.S. Government Property	19X8822.1	Trust	4 FAH-3 H-322, subparagraph f(1); (see also 4 FAM 380 for Gift Fund policies and procedures)
Unconditional Gift Fund—General (gift to Department of State)	19X8821.1	Trust	4 FAH-3 H-322, subparagraph f(1) and 4 FAM 380
Conditional Gift Fund—General (gift to Department of State)	19X8822.1	Trust	4 FAH-3 H-322, subparagraph f(1) and 4 FAM 380
Proceeds of Sales-Property not to be Replaced	193220	Miscellaneous Receipt	4 FAH-3 H-322, subparagraph b(4); see also 4 FAH-3 H-327.3, paragraph b

\*Specific authority permits OBO (x0535) and the State Department Working Capital Fund/ICASS (x4519.1) to retain collections for property losses. This authority is not applicable to property losses associated with other Diplomatic and Consular Programs (D&CP) funded activities.